



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427

October 24, 2003

TO: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **LOS ANGELES FRAUD HOTLINE STATUS REPORT**

The Los Angeles County Fraud Hotline opened 148 new investigations during the period from 7/1/03 to 9/30/03. We closed 109 of which 26 were Substantiated, 48 were Not Substantiated, and 35 were not investigated due to insufficient information (See Attachments I, and II for details). As of 9/30/03, 300 investigations were in progress.

Based on the 26 Substantiated cases, the following personnel actions were taken. Note: some cases may include multiple suspects and multiple dispositions.

Convicted	2
Counseled	6
Dismissed	6
Jailed	1
Pending	9
Probation	1
Procedures Changed	1
Resigned	2

If you have any questions or need additional information, please call me or have your staff call Marion Romeis at (626) 293-1400.

Attachments

C: Audit Committee
David E. Janssen, Chief Administrative Officer
Department Heads
Public Information Office

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

Attachment I



***SUMMARY OF SUBSTANTIATED CASES
CLOSED BETWEEN***

Jul 01, 2003 and Sep 30, 2003

CASES INVESTIGATED BY AUDITOR CONTROLLER

Case Number: 20030041

A Department of Mental Health (DMH) contractor submitted fraudulent financial statements to the Department. Corrective action is pending.

Case Number: 20030085

A Fire Department employee stole various inventory items from a Department warehouse. The employee was discharged. The District Attorney's Office declined to prosecute.

Case Number: 20030161

A Regional Planning employee embezzled \$4,855 in cash receipts. The employee resigned. The employee was also prosecuted and sentenced to 180 days in jail, three years of probation and ordered to pay full restitution.

Case Number: 20030205

A Child Support Services Department (CSSD) employee stole more than \$30,000 in child support payments intended for custodial parents. The employee was terminated. Criminal charges are pending.

Case Number: 20030229

A Registrar-Recorder/County Clerk (RR/CC) employee used his County computer to operate a personal business on County time, view pornography, steal County records and documents, and access confidential management records. The employee was terminated.

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

Attachment I



**SUMMARY OF SUBSTANTIATED CASES
CLOSED BETWEEN**

Jul 01, 2003 and Sep 30, 2003

Case Number: 20030249

A Department of Public Works (DPW) employee embezzled \$300 in County funds by collaborating with a vendor to inflate their billings. The employee was terminated and subsequently convicted.

Case Number: 20030253

A DPW contractor submitted fraudulent invoices totaling \$1,830 for services not provided. The contract was not renewed and the contractor repaid DPW in full.

Case Number: 20030320

A County Counsel employee made unauthorized purchases of computer equipment, with the collaboration of an agreement vendor employee, and attempted to keep them for personal use. The employee also used a County computer and digital projector to operate his personal business. Disciplinary action is pending. The case was also referred to the District Attorney for possible criminal prosecution. In addition, the County is pursuing debarment of the vendor.

Case Number: 20030347

A CSSD employee misdirected child support payments totaling at least \$220,000 to his personal residence and fraudulently deposited the checks into his checking account. The case was referred to the DA for criminal prosecution.

Case Number: 20040081

A Public Library employee used his computer to view pornography and access gambling sites. However, Library staff did not follow proper procedures for handling computer investigations, which resulted in deletion of pertinent files. Library management was reminded of the importance of following established procedures.

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

Attachment I



**SUMMARY OF SUBSTANTIATED CASES
CLOSED BETWEEN**

Jul 01, 2003 and Sep 30, 2003

Case Number: 20040088

Two RR/CC employees stole \$709 in daily cash deposits and attempted to replenish the funds with personal NSF checks. One employee was counseled and paid the Department back. The other employee resigned and the Department is attempting to recover the funds.

Total Cases Investigated By Auditor Controller

11

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20010186

A Department of Public Social Services (DPSS) employee used sick leave to conduct his private business, which was not disclosed to the Department. The employee resigned.

Case Number: 20010324

A DPSS employee did not report her outside employment to the Department. Disciplinary action is pending.

Case Number: 20020112

A DPSS employee stole County equipment (e.g., TV, laptop computer, HP Inkjet, and a combination printer/copier/fax/scanner) from the Department. The employee was convicted of a felony and discharged.

Case Number: 20020115

A DPSS employee made unauthorized personal long distance calls totaling \$155 from a service provider's facility. The employee reimbursed the provider. Disciplinary action is pending.

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

Attachment I



**SUMMARY OF SUBSTANTIATED CASES
CLOSED BETWEEN**

Jul 01, 2003 and Sep 30, 2003

Case Number: 20020190

A DMH employee referred clients to a non-County agency, where her husband worked. The employee was counseled.

Case Number: 20020230

A Department of Health Services (DHS) physician failed to approve over 200 radiology and X-ray reports in a timely manner, which may have resulted in patient care delays. The physician was counseled.

Case Number: 20020268

A DPSS employee violated Department policy by co-habiting with a participant, and failed to disclose outside employment as an In-Home Support Services provider. Disciplinary action is pending.

Case Number: 20020276

A DHS employee reported hours not worked on his timecard. The employee was counseled.

Case Number: 20020298

A DHS employee reported hours not worked on his timecard. The employee was counseled.

Case Number: 20030180

A DHS employee violated Department policy by soliciting private attorney services on County property. The employee was counseled.

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

Attachment I



**SUMMARY OF SUBSTANTIATED CASES
CLOSED BETWEEN**

Jul 01, 2003 and Sep 30, 2003

Case Number: 20030239

An ISD employee was improperly promoted based on false qualifications he submitted. Disciplinary action is pending.

Case Number: 20030311

Several CSSD Student Workers submitted attendance verifications for classes they had dropped. The student workers were terminated. The Department also changed procedures.

Case Number: 20030377

A DPSS employee created a hostile work environment by verbally abusing his coworkers. Disciplinary action is pending.

Case Number: 20040011

A DPSS employee forged her supervisor's signature to approve Medi-Cal benefits for two participants. Disciplinary action is pending.

Case Number: 20040016

A DPSS employee claimed medical leave on his timecard while incarcerated. Disciplinary action is pending.

Total Cases Referred To And Investigated By Other Departments	15
---	----

Total Number of Substantiated Cases for this period is: 26

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

Attachment II



**Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY
Jul 01, 2003 through Sep 30, 2003**

	<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>No Response</i>	<i>Total</i>
<i>Children and Family Services</i>		7 (100%)			7 (100%)
<i>Children's Support Services Department</i>	1 (100%)				1 (100%)
<i>Community & Senior Services</i>			1 (100%)		1 (100%)
<i>Department of Human Resources</i>		4 (100%)			4 (100%)
<i>Department of Mental Health</i>	1 (20%)	4 (80%)			5 (100%)
<i>Department of Public Social Services</i>	8 (50%)	6 (38%)	2 (13%)		16 (100%)
<i>Department of Public Works</i>		1 (100%)			1 (100%)
<i>Health Services</i>	4 (25%)	11 (69%)	1 (6%)		16 (100%)
<i>Internal Services Department</i>	1 (25%)	3 (75%)			4 (100%)
<i>Pending</i>		3 (10%)	26 (90%)		29 (100%)
<i>Probation Department</i>		3 (100%)			3 (100%)
<i>Special Investigations Unit</i>	11 (52%)	6 (29%)	4 (19%)		21 (100%)
<i>Superior Court</i>			1 (100%)		1 (100%)
Grand Total	109	43	16	0	168
	64.3%	25.04%	9.52%	0.00%	100.00%